

Department of Education
ACADEMIC COMPETITIVENESS GRANTS
AND SMART GRANTS OVERVIEW
Fiscal Year 2012 Budget Request

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ACADEMIC COMPETITIVENESS AND SMART GRANTS OVERVIEW

Amounts Available for Obligation (\$000s)

	2010	2011 CR	2012
Mandatory Appropriation:			
Appropriation	\$1,010,000	0	0
Funds becoming available from prior year deferral	887,000	\$561,000	0
Appropriation deferred to future years	<u>-561,000</u>	<u>0</u>	<u>0</u>
Subtotal, mandatory appropriation	1,336,000	561,000	0
Appropriation permanently reduced	0	-112,000	0
Unobligated balance of appropriations permanently reduced	<u>0</u>	<u>-449,000</u>	<u>0</u>
Subtotal, adjusted mandatory appropriation	1,336,000	0	0
Unobligated balance, start of year	31,000	449,000	0
Unobligated balance, end of year	<u>-449,000</u>	<u>0</u>	<u>0</u>
Total, direct obligations	918,000	449,000	0

Obligations by Object Classification (\$000s)

	2010	2011 CR	2012
Grants, subsidies and contributions	<u>\$918,000</u>	<u>\$449,000</u>	<u>0</u>
Total, obligations	918,000	449,000	0

ACADEMIC COMPETITIVENESS AND SMART GRANTS OVERVIEW

Academic Competitiveness Grants and SMART Grants

(Higher Education Act of 1965, Title IV, Part A, Subpart 1, Section 401A)

FY 2012 Authorization (\$000s): 0

Budget Authority (\$000s):

	<u>2011 CR</u>	<u>2012</u>	<u>Change</u>
Program Funds	0	0	0
FY 2011 amount deferred from FY 2010	<u>\$561,000</u> ¹	<u>0</u>	<u>-\$561,000</u>
Total	561,000	0	-561,000

¹ Reflects \$561,000 thousand in balances deferred from FY 2010 (Consolidated Appropriations Act 2010, P.L. 111-117).

PROGRAM DESCRIPTION

The Higher Education Reconciliation Act of 2005 created two mandatory need-based grant programs to complement the Federal Pell Grant:

1. Academic Competitiveness Grants (ACG), awarded to first- and second-year undergraduates who completed a rigorous high school curriculum, and
2. National Science and Mathematics Access to Retain Talent (SMART) Grants, awarded to third- and fourth-year undergraduates majoring in technical fields or languages deemed vital to national security.

To be eligible for either grant, a student must be a Pell Grant recipient and enrolled at least half time in an associate's, bachelor's, combined undergraduate/graduate degree program, or in a 1- or 2-year certificate program. A student can meet the rigorous secondary school program of study requirement for a first-year ACG by successfully completing, after January 1, 2006, a rigorous secondary school program of study established by a State or local educational agency and recognized as such by the Secretary, and for a second-year ACG, by successfully completing, after January 1, 2005, a rigorous secondary school program of study established by a State or local educational agency and recognized as such by the Secretary. Students graduating on or after July 1, 2009, can meet the rigorous secondary school program of study requirement for either a first- or second-year ACG by successfully completing a program that is recognized by an appropriate official, consistent with State law, to prepare students for college, and that is reported to the Secretary. A student can also meet the rigorous secondary school program of study requirement by successfully completing a secondary school program of study recognized as rigorous by the Secretary in regulations that were in effect on May 6, 2008. Third-, fourth- and fifth-year undergraduates participating in 5-year academic programs are eligible to receive the SMART Grant. Students are required to pursue a major in physical, life, or computer sciences, mathematics, technology, engineering or a critical foreign language, and obtain a cumulative GPA of at least 3.0 in the coursework required for the major being pursued.

ACADEMIC COMPETITIVENESS AND SMART GRANTS OVERVIEW

Critical foreign languages are determined by the Secretary of Education in consultation with the Director of National Intelligence.

Maximum awards of \$750 are awarded to first-year undergraduate students, \$1,300 to a second-year undergraduate, and \$4,000 to third- and fourth-year undergraduates, except that these grants, in combination with the Federal Pell Grant and other student financial assistance cannot exceed a student's cost of attendance. A student may only receive one ACG or SMART grant for each of the first through fourth years of undergraduate education, and only for a year for which the student received credit after the date of enactment. (Students participating in a 5-year program can receive a third SMART Grant for the fifth year of their program.)

If funding provided for a given fiscal year exceeds the amount needed to make grants in that year, excess funding can be carried forward for use in future fiscal years. If funding for a given year is insufficient to provide grants to all eligible students, grant amounts for that year would be ratably reduced. The annual appropriation level included in the Higher Education Reconciliation Act was \$1,010 million for fiscal year 2010, the final year for which new grant funding is authorized. Funds appropriated in any year are available through September 30 of the following fiscal year. Congress provided that ACG/SMART Grants sunset at the end of academic year 2010-2011.

FY 2012 BUDGET REQUEST

As noted above, the ACG/SMART program sunsets at the end of academic year 2010-2011, per the Higher Education Reconciliation Act of 2005 (P.L. 109-171). Academic year 2010-2011 is funded with FY 2010 appropriations.

The following tables show program recipient and awards information through academic year 2010-2011, consistent with program funding levels.

PROGRAM OUTPUT MEASURES (\$000s)

	<u>2010</u>	<u>2011 CR</u>	<u>2012</u>
Academic Competitiveness Grants			
Recipients	786,000	0	0
Aid available to students	\$548,000	0	0
Maximum grant (in whole \$)			
First-year student	\$750	0	0
Second-year student	\$1,300	0	0
Average grant (in whole \$)	\$697	0	0

ACADEMIC COMPETITIVENESS AND SMART GRANTS OVERVIEW

SMART Grants

Recipients	150,000	0	0
Aid available to students	\$384,000	0	0
Maximum grant (in whole \$)	\$4,000	0	0
Average grant (in whole \$)	\$2,500	0	0

PROGRAM PERFORMANCE INFORMATION

This section presents selected program performance information, including, for example, GPRA goals, objectives, measures, and performance targets and data, and an assessment of the progress made toward achieving program results. Achievement of results is based on the cumulative effect of the resources provided in previous years, and the resources and efforts invested by those served by this program.

Because the programs in the ACG/SMART account rely on the same performance data as the Federal student aid programs, the performance measures, strategies, and program improvement activities that apply to all of the programs are discussed in the **Student Aid Overview** and are not repeated here.